Table 8

Consumer prices

percent change, December/December

	1982	1983*	1984*
Germany	4.6	2.7	2.6
United Kingdom	5.4	5.5	6.0
France	9.4	9.5	7.0
Italy	15.3	13.5	12.5
Total	7.9	7.0	6.3
United States	3.9	3.5	5.5
Japan	2.4	2.0	2.0

*Forecast.

Table 9

Total labor force

average annual percent change

	1975-79	1979-82	1983
Germany	0.0	0.7	—0.1
France	0.9	0.7	—0.8
Italy	1.3	1.0	0.9
United Kingdom	0.7	—0.3	0.1
United States	2.8	1.6	1.1
Japan	1.3	1.1	1.2

Table 10

Total employment

average annual percent change

	1975-79	1979-82	1983
Germany	0.7	0.0	—2.0
France	0.4	—0.5	—1.0
Italy	0.8	0.5	0.5
United Kingdom	0.3	—2.4	—0.6
United States	3.5	0.3	1.2
Japan	1.2	0.9	1.2

policy thus has to focus on measures that can increase employment without generating inflationary pressures.

High unemployment cannot be attributed to a single source. Rapid increases in the labor force, low economic growth, high real wages, and labor market rigidities have all played an important role. Policy measures must, in turn, address each of these issues. Many European economies, Germany's in particular, have experienced a bulge in the work force, with many young people and women entering the labor market (see Table 9). Labor force growth is expected to moderate in the second half of the 1980s, which should allow unemployment to level out or decline somewhat, even if employment trends show scant improvement over the record since the first oil shock (see Table 10).

Low growth and recession since 1980 have contributed in a major way to the increase in European unemployment. For more rapid growth, several policy changes and structural adjustments are needed. First, domestic policy must focus on stimulating domestic demand, particularly investment. Europe cannot rely on exports as the only, or even the principal, expansionary force because developing-country markets will be slow to recover, and a rapid increase in exports to the United States alone will not sustain growth in Europe. The interdependence of the European economies implies that a concerted, coordinated European expansion of domestic demand would benefit all the European economies without inducing large external imbalances.

Encouragement of domestic investment is important because other components of domestic demand are unlikely to expand rapidly. Government spending will be restrained. Private consumption will increase only slowly, in line with rising real income. The declines in savings rates, which have boosted consumption spending in Germany and the United Kingdom and sustained it in France, cannot continue indefinitely.

Additional investment is a priority for the European economies, not only as a source of demand but also to provide the supply capacity to sustain higher long-term growth. As expected, low capacity utilization resulting from Europe's recession and slow growth of the early 1980s has deterred investment. EC investment spending as a percentage of GDP has declined since the oil-price increase of 1973 to a level well below that typical of the 1960s (see Table 11). The decline is particularly sharp in Germany. By contrast, gross fixed capital investment as a percentage of GNP has been unchanged for the United States. The ratio has declined in Japan since 1973 but is higher than in the 1960s.

Fiscal policy could promote investment through such techniques as temporary investment tax credits. More important, the fiscal consolidation that is now occurring makes room for investment in the medium term by lowering public-sector credit demands. Governments could further spur investment by underwriting aggregate domestic demand through temporary fiscal stimuli that do not result in a larger role for government in the long run. Additional income tax cuts would be useful once the current phase of fiscal consolidation is well under way. Indeed, in Germany, where tax cuts for the mid-1980s are already under discussion, an income tax reduction would be one way to counter potential economic weakness in 1984, should private consumption falter. Business tax cuts that raise profitability would increase incentives for investment, and policies that encourage small business through various tax pro-

Table 11

Investment shares in GDP

gross fixed capital formation as of % of GDP

	1960-67	1968-73	1974-81	1983*
EC	21.9	22.5	20.8	18.8
Germany	25.2	24.4	21.2	21.0
France	22.3	23.5	22.3	20.0
Italy	21.7	20.6	20.0	18.0
U.K.	17.6	18.7	18.2	15.9
United States	18.0	18.3	18.3	16.3
Japan	31.3	34.7	31.9	28.5

*Estimated, first nine months.

grams could also prove an important way to encourage medium-term growth.

Structural reforms of the labor market also are needed, as indicated by the lack of employment gains even when the European economies were growing in the latter part of the 1970s. High real wages and more importantly, perhaps, nonwage labor costs, such as fringe benefits and social charges, have clearly contributed to the stagnation of employment in Europe. Excessive labor costs have been a major source of the drastic decline in business profitability in all European countries during the past ten years. The decline in profitability and the anticipation of even higher wage and benefit costs in the future have seriously impaired investment incentives. They also bias investments toward less labor-intensive processes. Lower labor costs will improve profitability and help ensure that investments strengthen employment rather than destroy jobs.

Other policies, such as early retirement and shorter work weeks, may also help increase employment, provided nominal wages actually decline in line with the fall in hours worked. Otherwise these measures may increase the real cost of labor and lead to even less employment, a risk quite plain from adverse French experience.

In order to achieve rising living standards in the years ahead, Europe must move toward more dynamic economic structures and institutions. The recent failure of the EC summit meeting shows how calcified some European institutions, notably the Common Agricultural Policy, have become. Far more time and resources are being spent protecting politically sensitive sectors, such as agriculture and basic steel, than are being invested in making these sectors and the labor force adapt to new competitive realities. The development of new technologies and products is hindered by the diversion of resources to failing industries and uncompetitive agriculture. Moreover, notwithstanding the expectations of many European policymakers, tariff barriers and protectionism — whether toward the outside world or among member states of the Community — are unlikely to foster new technologically advanced industries that can compete in world markets. Sheltered industries rarely produce efficiently.

A dynamic economy invariably implies structural change and must involve the decline of some industries. It is widely recognized that future employment growth in mature industrial societies will be less in traditional manufacturing than in high technology, services, and communications. Yet narrow national interests, procurement policies, and capital market rigidities handicap high technology in Europe, while the EC does not yet offer a true common market in services and communications. Failure to integrate national markets more fully places Europe at a distinct disadvantage in the world of the 1980s.

Statistical appendix

for key to data in tables see pages 18 and 19.

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Information herein is from sources considered to be reliable but is furnished without responsibility on the part of Morgan Guaranty Trust Company.

Nominal effective exchange rates

Index numbers 1980-82=100. Each index shows a currency's trade-weighted appreciation or depreciation measured against 15 other major currencies, using averages of daily noon spot exchange rates in New York and bilateral trade weights based on 1980 trade in manufactures. Annual figures are calendar year averages.

	United States	Canada	Japan	Australia	France	Germany	Italy	United Kingdom	Austria	Belgium	Netherlands	Spain	Switzerland	Denmark	Norway	Sweden
Pre-June 1970 parities	114.6	114.4	69.0	116.4	111.1	66.2	226.2	147.5	80.6	91.1	82.1	143.2	51.3	113.0	92.3	119.6
Smithsonian central rates	103.1	121.9	77.2	116.7	109.8	68.9	220.9	146.7	80.6	92.3	82.9	142.7	53.2	110.8	90.9	117.6
1979	90.8	100.4	99.5	94.6	106.0	99.8	112.9	90.9	96.7	106.8	100.3	114.5	97.1	114.4	96.6	103.5
1980	90.7	100.4	95.5	96.0	106.5	100.0	108.4	99.8	99.4	105.9	100.2	106.5	95.4	105.1	98.2	103.9
1981	99.5	100.2	105.8	104.0	100.1	97.2	98.8	102.1	98.9	101.8	97.1	99.4	98.3	99.2	100.1	103.3
1982	109.8	99.4	98.6	100.1	93.1	102.8	92.8	98.1	101.7	92.3	102.7	94.1	106.3	95.7	101.7	92.8
1982																
December	111.3	99.5	103.0	96.7	91.6	106.7	92.1	92.9	103.8	90.8	105.7	83.9	107.3	98.2	98.2	81.2
1983																
January	109.7	100.2	106.7	97.3	91.8	106.9	92.8	89.4	103.6	91.1	106.3	82.6	111.3	98.9	97.4	81.0
February	111.0	100.5	105.9	96.8	91.9	107.0	92.6	88.2	103.6	91.0	106.2	81.9	110.3	98.6	98.0	81.1
March	112.0	100.9	105.8	89.3	90.8	108.9	91.3	86.4	104.8	92.2	106.5	80.5	108.4	98.7	97.8	81.2
April	112.5	100.4	106.4	87.5	87.7	109.1	91.3	90.2	104.4	91.5	105.1	80.1	109.9	98.7	98.7	81.5
May	112.2	100.6	107.9	88.2	86.8	108.5	90.8	92.9	104.0	90.8	104.8	79.5	110.6	97.5	99.3	81.7
June	114.3	100.8	106.6	89.1	86.1	107.6	90.7	93.6	103.1	90.2	104.6	78.3	110.6	96.2	99.5	82.2
July	115.1	101.0	106.9	89.8	86.2	107.2	90.6	93.4	103.5	89.7	104.5	76.8	111.7	95.4	99.9	82.6
August	117.0	101.2	106.2	91.5	85.6	106.5	89.6	91.0	103.1	89.2	104.1	77.0	112.3	94.5	100.3	82.8
September	116.7	101.3	107.1	92.2	85.6	106.9	88.9	93.8	103.3	88.8	104.2	76.7	112.4	94.9	100.9	82.6
October	114.8	101.0	110.7	93.5	85 4	108 0	88.6	92.2	103.8	88.7	105.0	76.0	113.2	95.2	100.8	82.3
November	116.4	100.9	110.8	94.8	85.1	107.1	88.3	92.7	103.3	88.4	104.4	75.9	112.8	94.7	100.9	82.7
November 4	115.8	101.1	110.4	94.1	85.4	107.5	88.3	92.8	103.6	88.6	104.7	75.9	112.4	95.0	100.8	82.6
11	116.2	101.0	110.3	94.4	85.3	107.3	88.2	93.1	103.2	88.4	104.5	75.7	112.5	94.7	100.8	82.7
18	116.5	100.9	110.7	95.1	85.0	107.0	88.5	93.0	103.4	88.4	104.4	76.0	112.7	94.8	101.0	82.8
25	116.8	100.9	111.0	95.3	85.0	107.0	88.4	92.5	103.1	88.3	104.3	76.0	112.9	94.4	101.0	82.8
December 2	116.9	100.7	111.8	95.2	85.0	106.9	88.3	91.9	103.1	88.4	104.4	76.0	113.7	94.4	101.1	82.8
9	117.7	100.4	111.8	94.6	85.0	106.7	88.0	91.9	102.8	88.3	104.2	75.7	113.5	93.9	100.2	83.0
16	118.6	100.3	111.9	94.4	84.5	106.7	88.2	91.3	103.0	88.2	104.1	75.7	113.6	94.1	99.4	83.2

Real effective exchange rates

Index numbers 1980-82=100. Each index is the corresponding nominal effective exchange rate adjusted for differential inflation in wholesale prices of nonfood manufactures. Underlying price data are partly estimated. Index revisions reflect revised price information or, less frequently, adoption of new price indices to measure inflation in one or more countries.

	United States	Canada	Japan	Australia	France	Germany	Italy	United Kingdom	Austria	Belgium	Netherlands	Spain	Switzerland	Denmark	Norway	Sweden
1979	88.0	100.1	105.6	91.7	101.2	107.1	100.8	85.1	99.7	114.5	102.3	103.6	108.5	112.0	94.1	100.0
1980	89.5	99.6	103.1	93.1	102.2	103.5	103.5	99.2	100.2	107.5	100.0	102.0	98.7	103.7	96.4	101.3
1981	100.7	100.0	104.7	102.6	100.2	97.4	98.7	101.9	99.1	100.3	97.7	99.1	98.8	99.8	101.2	102.1
1982	109.8	100.4	92.3	104.1	97.7	99.1	97.8	98.9	100.7	92.1	102.1	99.0	102.5	96.9	102.4	96.5
1982																
December	111.9	99.5	94.2	102.4	97.1	100.7	99.1	95.0	102.2	91.0	103.4	91.7	102.9	100.0	99.2	88.0
1983																
January	109.4	100.7	97.6	103.7	96.9	100.5	100.9	91.9	102.3	91.3	104.4	91.3	106.2	100.8	98.7	88.9
February	110.2	101.4	96.8	103.7	98.4	99.8	99.9	90.8	102.5	92.8	103.6	91.5	104.9	100.9	100.0	88.6
March	110.6	102.7	96.5	96.3	97.6	101.1	99.7	89.2	103.8	94.0	103.5	90.3	103.0	101.0	99.3	88.7
April	110.4	103.0	96.1	94.6	96.1	100.9	100.1	93.2	102.5	93.0	101.7	90.1	103.9	100.9	100.3	89.3
May	110.3	103.3	96.9	95.4	94.4	100.2	100.3	96.3	101.7	92.8	101.3	90.1	104.2	100.0	101.4	90.0
June	112.8	103.2	95.3	96.6	94.3	99.3	100.0	96.9	101.0	92.3	101.0	89.4	104.0	98.1	100.8	91.2
July	113.3	103.6	95.2	97.2	95.0	98.3	100.3	96.3	101.3	91.8	101.3	87.7	104.7	97.2	101.2	92.1
August	115.2	103.7	93.6	99.2	94.3	98.0	99.6	97.0	100.5	91.2	100.8	87.8	105.6	95.7	100.9	92.8
September	113.9	104.3	94.7	100.3	94.9	98.0	99.2	97.2	100.4	90.5	101.1	88.1	105.5	97.4	102.3	92.4
October	113.2	103.2	96.8	101.6	95.1	98.8	99.1	95.6	100.5	89.8	102.0	86.7	106.0	97.3	101.8	92.2
November	114.7	103.1	96.4	103.1	95.2	97.8	99.0	96.1	99.8	89.4	101.6	86.8	105.6	96.7	101.7	93.0

Eurocurrency market size

based on foreign-currency liabilities and claims of banks in major European countries, the Bahamas, Bahrain, Cayman Islands, Netherlands Antilles, Panama, Canada, Japan, Hong Kong, Singapore, and United States international banking facilities
billions of dollars (rounded to nearest $5 billion), at end of period

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	
										Mar	Jun
Estimated size											
Gross	395	485	595	740	950	1 235	1 525	1 860	2 060	2 090	2 055
Liabilities to nonbanks	80	90	115	145	190	260	350	460	505	505	n.a.
Liabilities to central banks	60	65	80	100	115	145	150	130	90	90	n.a.
Liabilities to other banks[a]	255	330	400	495	645	830	1 025	1 270	1 465	1 495	n.a.
Net	220	255	320	390	495	590	730	890	960	965	970
Claims on nonbanks	105	130	165	210	265	330	425	530	595	600	n.a.
Claims on central banks and on banks outside market area[b]	95	105	130	150	185	200	230	275	270	265	n.a.
Conversions of Eurofunds into domestic currencies by banks in market area[c]	20	20	25	30	45	60	75	85	95	100	n.a.
Eurodollars as % of gross liabilities in all Eurocurrencies	76	78	80	76	74	72	75	78	79	80	80

a includes unallocated liabilities
b includes unallocated claims
c in European market area only
r revised
p preliminary

Eurocurrency deposit rates

prime banks' bid rates in London, at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Eurodollar:											
overnight	19.25	12.87	9.25	8.75	8.88	9.50	8.75	9.38	9.25	9.25	9.00
7-day fixed	19.75	13.00	9.25	8.75	8.88	9.50	9.44	9.50	9.38	9.25	9.13
one month	19.12	13.31	9.13	8.94	9.13	9.50	9.81	9.88	9.38	9.44	9.69
three months	17.55	13.75	9.19	8.88	9.44	9.69	10.19	10.25	9.50	9.63	9.75
six months	16.37	14.81	9.50	9.06	9.63	9.94	10.63	10.63	9.69	9.69	9.94
twelve months	14.87	14.75	9.63	9.25	9.81	10.06	10.75	10.94	10.00	9.94	10.31
Euromark:											
one month	8.87	10.44	5.88	4.88	4.94	4.94	4.81	5.25	5.56	5.56	6.19
three months	8.87	10.50	5.88	5.00	5.06	5.19	5.06	5.50	5.75	5.81	6.19
six months	8.87	10.56	5.94	5.06	5.25	5.50	5.50	5.94	5.88	5.81	6.19
twelve months	8.93	10.25	6.00	5.31	5.69	5.94	5.94	6.44	6.19	6.13	6.44
Euro-Swiss franc:											
one month	6.00	8.87	2.81	4.31	4.75	4.56	4.69	4.19	3.69	3.50	4.06
three months	6.00	9.25	3.25	4.38	4.75	4.63	4.75	4.44	4.13	4.13	4.06
six months	5.75	9.25	3.44	4.38	4.75	4.75	4.88	4.81	4.31	4.19	4.19
twelve months	5.50	8.50	3.44	4.38	4.63	4.69	4.81	4.94	4.38	4.31	4.38
Eurosterling:											
one month	14.75	15.37	10.56	10.25	10.25	9.63	9.56	9.56	9 63	9.19	9.06
three months	14.75	15.69	10.44	10.19	10.25	9.63	9.81	9.75	9.56	9.25	9.25
six months	14.25	15.69	10.31	10.06	10.25	9.88	10.25	10.13	9.56	9.38	9.44
twelve months	14.00	15.37	10.31	10.00	10.31	10.06	10.50	10.50	9.81	9.69	9.69
Euro-French franc:											
one month	11.12	15.75	23.00	12.38	12.50	12.38	12.13	13.00	12.75	12.25	12.25
three months	11.75	17.00	24.00	12.88	13.38	14.94	13.50	15.00	14.31	12.88	13.19
six months	12.25	18.00	22.00	14.38	15.75	16 69	15.25	16.75	15.81	14.00	14.13
twelve months	12.87	18.25	19.75	16.00	17.25	18.00	16.75	16 88	16.19	14.88	14.69
Euroyen:											
one month	9.12	6.12	6.75	6.13	6.31	6.44	6.44	6.69	6.69	6.13	7.25
three months	9.25	6.12	6.75	6.19	6.31	6.50	6.50	6.63	6.69	6.31	6.75
six months	9.62	6.87	6.81	6.19	6.31	6.50	6.56	6.63	6.69	6.31	6.69
twelve months	9.37	6.87	6.81	6.38	6.38	6.50	6.56	6.75	6.69	6.44	6.69

Eurocurrency bank credits

publicly announced in period, in millions of dollars

	1980	1981	1982	1983			Jan-Nov	
				Sepr	Octr	Novr	1983	1982
Industrial countries	**39 100**	**86 022**	**42 775**	**2 820**	**7 006**	**2 976**	**35 162**	**41 095**
Australia	2 475	1 680	4 721	295	—	30	2 224	4 446
Canada	1 743	4 112	3 838	190	118	—	508	3 778
Denmark	1 720	1 661	789	—	—	—	1 586	770
France	1 745	3 912	5 653	75	222	148	1 708	5 640
Greece	1 333	1 039	770	—	—	249	1 085	770
Ireland	237	1 361	401	—	—	—	621	401
Italy	6 268	6 030	3 657	486	381	216	2 946	3 504
Norway	685	713	2 069	13	—	21	370	1 969
Portugal	745	1 590	1 388	—	500	—	800	1 238
Spain	5 457	3 242	1 849	98	222	168	2 665	1 662
Sweden	1 370	1 867	649	75	—	—	3 176	599
United Kingdom	1 470	747	1 635	—	315	—	1 268	1 635
United States	6 719	54 784	6 566	1 450	4 983	1 410	11 990	6 046
Others	7 133	3 284	8 790	258	265	736	4 215	8 637
Developing countries	**35 054**	**45 284**	**41 515**	**2 056**	**587**	**2 249**	**32 714**	**38 877**
Non-OPEC countries	24 009	33 394	28 733	1 899	550	901	25 114	26 557
Argentina	2 506	2 534	1 565	—	—	—	1 750	465
Brazil	4 158	5 751	5 716	—	—	—	4 475	5 400
Chile	1 322	2 204	1 194	—	—	—	1 319	1 194
Colombia	608	1 030	741	139	100	—	459	671
Korea	1 917	2 824	2 923	995	96	372	3 225	2 800
Malaysia	—	1 725	1 909	60	—	—	920	1 837
Mexico	5 971	7 530	7 953	—	—	38	5 138	7 938
Peru	480	1 407	1 069	5	29	—	500	1 069
Philippines	1 056	1 257	635	—	—	100	815	580
Taiwan	314	928	255	—	—	—	536	255
Other	5 677	6 204	4 773	700	325	391	5 977	4 348
OPEC countries	11 045	11 870	12 782	157	37	1 348	7 600	12 320
Ecuador	1 209	934	815	—	—	—	431	815
Indonesia	1 435	725	1 250	—	—	11	1 482	989
Nigeria	1 330	1 802	2 042	22	—	17	1 853	1 990
United Arab Emirates	101	363	93	61	—	100	901	93
Venezuela	6 715	7 559	6 799	—	—	—	237	6 779
Other	255	497	1 783	74	37	1 220	2 696	1 654
Communist countries	**2 809**	**1 791**	**765**	**—**	**75**	**—**	**1 012**	**682**
China	181	370	43	—	—	—	10	10
East Germany	303	470	8	—	—	—	392	8
Hungary	550	550	340	—	75	—	483	290
Poland	800	—	—	—	—	—	—	—
Other[b]	975	401	374	—	—	—	127	374
International organizations[c]	**429**	**302**	**150**	**—**	**—**	**—**	**1 321**	**150**
TOTAL	**77 392**	**133 379**	**85 205**	**4 876**	**7 668**	**5 225**	**70 209**	**80 804**

a Includes multinational organizations *b* Includes COMECON institutions *c* Includes regional development organizations *p* preliminary
r revised

International bond yields

long-term issues, at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
U.S. companies:											
U.S. dollar	11.76	12.70	11.26	9.90	10.03	9.98	10.06	10.15	10 23	10.29	10.29
Swiss franc	7.27	7.30	5.76	5.71	5.68	5.86	5.83	5.84	5.78	5.81	5.73
European companies:											
U.S. dollar	12.42	14.29	12.45	11.17	11.18	11.33	11.48	11.47	11.51	11.40	11.43
German mark	8.79	9.36	8.17	7.16	n.a.	n.a.	7.69	7.66	7.56	7.39	7.61
Governments:											
U.S. dollar	11.83	13.59	12.51	11.09	11.22	11.24	11.51	11.58	11.75	11.73	11.68

New international bond issues*

new issues in period, in millions of dollars

	1980	1981	1982	1983			Jan-Nov	
				Sept	Oct	Nov	1983	1982
By type:								
Eurobonds, total	**23 970**	**31 616**	**51 645**	**4 445**	**5 493**	**5 879**	**47 130**	**48 696**
by category of borrower								
U.S. companies	4 107	6 178	12 567	684	345	933	6 045	12 526
Foreign companies	9 032	12 882	13 372	924	1 366	2 311	16 106	12 655
State enterprises	5 839	7 496	14 650	1 545	713	890	10 544	12 970
Governments	3 045	2 629	7 683	806	2 804	1 089	8 422	7 372
International organizations	1 947	2 431	3 373	486	365	656	6 013	3 173
by currency of denomination								
U.S. dollar	16 427	26 830	43 959	3 685	4 385	4 470	37 646	41 417
German mark	3 607	1 277	2 588	180	116	294	3 576	2 444
Dutch guilder	1 043	529	645	33	51	133	670	645
Canadian dollar	279	634	1 201	61	41	209	983	1 181
European composite units	65	309	1 980	171	611	223	1 957	1 737
Other	2 549	2 037	1 272	315	289	550	2 298	1 272
Foreign bonds outside the United States, total	**14 521**	**13 817**	**20 451**	**1 543**	**2 359**	**2 186**	**21 644**	**19 474**
by category of borrower								
U.S. companies	307	592	1 971	145	255	5	1 312	1 873
Foreign companies	3 157	3 384	4 376	602	508	932	7 516	4 013
State enterprises	2 830	3 701	5 488	153	328	322	4 119	5 409
Governments	4 086	2 762	3 577	299	272	295	2 990	3 445
International organizations	4 141	3 378	5 039	344	996	632	5 707	4 734
by currency of denomination								
German mark	4 839	1 310	2 952	75	173	401	2 578	2 745
Swiss franc	7 617	8 285	11 432	1 260	1 108	1 222	13 352	10 922
Dutch guilder	259	481	956	33	189	83	1 053	919
Japanese yen	1 088	2 457	3 418	165	365	425	3 496	3 231
Other	718	1 284	1 693	10	524	55	1 165	1 657
Foreign bonds in the Unites States, total	**3 429**	**7 552**	**5 946**	**370**	**—**	**65**	**3 700**	**5 946**
by category of borrower								
Canadian entities	2 136	4 630	3 180	200	—	—	1 645	3 180
International organizations	550	1 375	1 700	120	—	—	1 020	1 700
Other	743	1 547	1 066	50	—	65	1 035	1 066
By country of borrower:								
Industrial countries	**32 732**	**40 978**	**63 192**	**5 088**	**6 378**	**6 528**	**57 343**	**59 911**
Australia	539	991	2 250	100	849	132	2 314	2 148
Austria	1 859	1 557	1 668	—	25	83	1 161	1 668
Canada	3 797	10 648	11 979	1 051	788	443	6 695	11 710
Denmark	1 125	695	1 269	537	—	248	1 647	1 269
Finland	392	672	815	33	79	50	857	815
France	2 820	3 156	8 456	815	316	248	6 134	7 218
Italy	904	1 108	2 214	170	578	293	1 513	2 214
Japan	5 309	6 928	8 397	818	939	1 842	13 514	7 768
Netherlands	1 585	630	894	53	75	66	881	865
New Zealand	293	1 107	1 375	—	—	—	455	1 075
Norway	892	530	832	27	175	—	638	832
Sweden	3 244	2 050	2 479	46	1 080	116	3 666	2 267
United Kingdom	1 733	1 408	1 201	208	175	175	1 336	1 181
United States	5 587	6 770	14 538	753	600	938	7 281	14 399
Developing countries	**2 485**	**4 769**	**4 873**	**320**	**113**	**314**	**2 317**	**4 733**
Non-OPEC countries	1 942	4 338	3 833	70	113	314	1 972	3 743
Brazil	349	60	91	—	—	—	—	91
Korea	68	323	172	70	—	70	535	152
Mexico	544	3 012	1 919	—	—	—	—	1 919
OPEC countries	543	431	1 040	250	—	—	345	990
Venezuela	398	291	385	—	—	—	—	385
Communist countries	**65**	**75**	**65**	**—**	**—**	**—**	**75**	**65**
International organizations	**6 638**	**7 163**	**9 912**	**950**	**1 381**	**1 288**	**12 740**	**9 407**
TOTAL	**41 920**	**52 985**	**78 042**	**6 358**	**7 852**	**8 130**	**72 474**	**74 116**

*Beginning November 1982, deferred payment issues are recorded in month(s) payments are actually made.

Central bank discount rates

	1979	1980	1981	1982	1983			Current	
	end Dec	end Dec	end Dec	end Dec	end Mar	end Jun	end Sep	Dec 12 1983	effective since
United States	12.00	13.00	12.00	8.50	8.50	8.50	8.50	8.50	Dec 15, 82
Canada	14.00	17.36	14.66	10.05	9.42	9.42	9.49	9.92	Dec 8, 83
Japan	6.25	7.25	5.50	5.50	5.50	5.50	5.50	5.00	Oct 22, 83
United Kingdom	17.00	14.00	14.37	10.00	10.56	9.50	9.50	9.00	Oct 4, 83
Belgium	10.50	12.00	15.00	11.50	11.00	9.00	9.00	10.00	Nov 24, 83
France	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	Aug 31, 77
Germany	0.00	7.50	7.50	5.00	4.00	4.00	4.00	4.00	Mar 18, 83
Italy	15.00	16.50	19.00	18.00	18.00	17.00	17.00	17.00	Apr 9, 83
Netherlands	9.50	8.00	9.00	5.00	3.50	4.50	5.00	5.00	Sep 9, 83
Austria	3.75	6.75	6.75	4.75	3.75	3.75	3.75	3.75	Mar 18, 83
Denmark	11.00	11.00	11.00	10.00	8.50	7.50	7.50	7.00	Oct 27, 83
Finland	8.50	9.25	9.25	8.50	8.50	8.50	9.50	9.50	July 1, 83
Ireland	16.40	12.75	17.15	14.35	14.35	13.80	13.00	11.50	Nov 11, 83
Norway	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	Jun 6, 83
Spain	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	Jul 26, 77
Sweden	9.00	12.00	11.00	10.00	9.00	8.50	8.50	8.50	Apr 8, 83
Switzerland	2.00	3.00	6.00	4.50	4.00	4.00	4.00	4.00	Mar 18, 83
Argentina	89.90	87.01	98.50	128.54	128.54	128.54	183.75	183.75	Sep 5, 83
Korea	14.50	15.50	10.50	5.00	5.00	5.00	5.00	5.00	Mar 29, 82
New Zealand	13.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	Jul, 81
Philippines	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	May 19, 78
Singapore	6.75	10.50	9.50	7.00	7.00	7.00	7.00	7.00	Feb 19, 82
South Africa	7.00	7.00	13.50	13.50	13.50	13.50	13.50	13.50	Dec 15, 81
Venezuela	11.00	13.00	14.00	13.00	13.00	11.00	11.00	11.00	May 18, 83

Day-to-day money rates

monthly averages

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	18.90	12.37	8.95	8.80	8.63	8.98	9.37	9.56	9.45	9.48	9.36
Canada	15.61	14.53	10.63	9.41	9.28	9.45	9.31	9.35	9.25	9.35	9.43
Japan	9.49	6.70	6.92	6.30	6.08	6.20	6.39	6.46	6.15	6.42	5.99
Australia	9.51	12.84	11.04	11.15	11.16	10.87	9.84	10.13	9.80	9.03	9.31
United Kingdom	13.00	9.13	6.70	7.63	6.00	6.63	6.60	6.31	7.30	7.81	6.92
Belgium	9.68	12.78	9.43	9.83	7.45	7.88	7.49	7.61	6.38	6.89	8.58
France	10.87	15.46	12.88	12.55	12.46	12.61	12.40	12.54	12.57	12.35	12.37
Germany	9.13	10.65	6.07	4.93	5.00	5.05	5.04	5.07	5.43	5.53	5.59
Italy	17.50	20.63	19.00	18.00	18.00	17.80	17.75	17.88	17.69	17.75	17.79
Netherlands	8.37	10.67	5.31	5.18	5.22	5.06	5.29	5.77	5.68	5.82	5.70
Austria	11.50	7.50	6.00	4.88	4.38	4.50	5.00	5.00	5.50	5.63	5.63
Finland	12.50	11.30	11.50	13.00	15.00	15.00	15.00	15.00	16.67	16.95	16.70
Ireland	13.31	16.88	14.54	15.25	14.38	13.62	13.75	12.50	12.63	11.00	12.25
Norway	11.00	18.60	11.00	12.25	12.75	12.00	12.00	12.70	12.30	13.50	13.00
Spain	16.74	16.73	20.30	20.38	21.01	20.10	21.05	23.33	19.85	20.27	18.56
Sweden	11.41	13.82	8.63	11.00	11.00	11.05	11.00	10.15	11.30	12.00	11.97
Switzerland	5.75	3.38	1.25	3.88	3.88	3.00	3.00	2.00	2.00	1.75	1.63
Argentina	70.84	84.93	155.32	196.18	162.81	170.43	210.04	106.40	173.90	258.90	271.79
Brazil	62.71	103.74	150.42	266.06	220.06	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hong Kong	14.05	10.75	9.13	10.40	11.38	12.38	7.00	6.81	13.25	18.00	10.00
Korea	14.82	14.40	13.84	13.60	13.40	13.40	12.70	12.70	12.80	12.80	12.90
Philippines	15.70	14.70	16.12	10.93	13.55	13.05	13.59	15.56	16.54	24.23	n.a.
Singapore	10.23	3.96	11.45	9.96	6.63	5.96	8.08	6.33	6.51	7.02	7.23
South Africa	5.60	12.34	12.90	9.71	9.73	10.91	12.29	13.62	13.43	13.66	14.24
Eurodollars	19.22	12.29	9.15	8.90	8.71	9.07	9.42	9.52	9.42	9.44	9.26

Treasury bill rates

bond-equivalent yields, at or near end of month

	1980	1981	1982	1983						
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	14.87	11.90	8.15	8.34	8.75	9.02	9.50	9.52	9.05	8.92	9.05
Canada	17.01	14.41	9.80	9.12	9.25	9.17	9.24	9.32	9.24	9.24	9.38
Japan	5.93	5.42	5.42	5.42	5.42	5.42	5.42	5.42	5.42	5.42	5.42
Australia	12.17	13.27	9.39	11.14	11.83	11.93	10.59	10.96	10.34	9.38	9.32
United Kingdom	13.45	15.31	9.90	9.75	9.68	9.29	9.40	9.57	9.21	8.89	9.08
Belgium	12.75	16.00	12.25	10.35	10.00	9.50	9.25	9.25	9.25	9.50	10.85
Ireland	12.84	17.35	14.70	13.81	14.01	12.95	13.09	13.01	12.12	11.96	11.66
Italy	16.87	21.36	19.11	18.27	17.65	17.35	17.35	17.24	17.18	17.08	n.a.
Netherlands	8.00	9.75	5.63	6.50	5.63	4.63	5.38	6.00	5.88	5.63	5.63
Spain	17.20	15.83	16.96	18.11	21.67	21.52	22.53	22.93	22.24	20.74	19.08
Sweden	12.87	9.20	8.18	7.13	7.13	7.12	7.12	7.13	7.13	7.13	7.13
Korea	16.35	16.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Mexico	27.73	33.22	57.44	62.85	63.04	62.36	61.10	57.89	56.17	55.60	54.15
New Zealand	11.25	11.25	11.25	12.00	12.00	12.00	7.80	7.80	7.80	7.80	7.80
Philippines	12.74	13.40	14.53	14.54	14.49	14.00	14.03	14.48	14.71	15.04	n.a.
Singapore	6.77	3.03	2.74	2.59	2.51	2.61	2.59	2.58	2.65	2.63	2.62
South Africa	6.31	14.55	14.62	11.53	11.81	13.96	14.46	16.19	15.49	15.66	17.47

Representative money-market rates

bond-equivalent yields on major short-term (mostly 3-4-month) money-market instruments, other than Treasury bills, at or near end of month

	1980	1981	1982	1983						
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	17.62	12.78	8.81	8.56	8.63	9.34	9.57	9.52	9.38	9.26	9.31
Canada	17.50	15.25	9.95	9.45	9.50	9.45	9.40	9.50	9.40	9.40	9.60
Japan	9.80	6.30	6.80	6.20	6.36	6.47	6.59	6.61	6.62	6.30	6.42
Australia	13.00	16.00	10.65	12.90	13.00	13.85	12.10	12.20	11.15	11.00	10.60
United Kingdom	14.75	15.69	10.50	10.19	10.25	9.75	10.06	9.75	9.56	9.31	9.25
Belgium	13.10	16.00	12.35	10.45	10.00	9.50	9.25	9.25	9.25	9.60	11.00
France	11.56	15.25	12.75	12.31	12.44	12.50	12.13	12.25	12.50	12.19	12.31
Germany	10.20	10.50	6.20	5.18	5.25	5.55	5.50	5.85	5.80	6.15	6.25
Ireland	13.63	18.50	15.75	15.25	14.75	13.63	13.88	13.38	12.69	12.53	12.38
Italy	17.37	21.00	19.00	17.75	17.75	17.50	17.50	17.60	17.50	17.63	17.88
Netherlands	9.37	11.00	5.25	6.00	6.13	5.38	5.69	5.31	6.25	6.13	6.31
Spain	17.40	15.52	16.55	18.91	21.57	20.76	22.48	24.04	22.06	22.19	20.29
Switzerland	7.50	10.12	3.88	4.50	4.75	4.81	4.85	4.44	4.25	4.25	4.25
Hong Kong	17.69	14.18	10.13	10.06	11.50	12.88	9.88	8.94	12.75	16.88	11.50
Korea	16.35	15.69	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
New Zealand	14.25	16.05	16.75	14.00	16.00	16.75	12.75	10.25	10.00	10.75	12.00
Philippines	15.01	17.61	15.91	14.34	15.57	15.06	15.96	15.62	16.49	18.26	n.a.
Singapore	14.12	7.81	8.69	7.38	7.56	7.81	7.88	7.38	7.38	7.50	7.63
South Africa	7.12	15.47	15.26	12.16	12.21	14.88	14.94	16.61	16.45	16.94	16.19

Commercial bank deposit rates

at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	16.25	12.62	8.25	8.40	8.88	9.18	9.65	9.65	9.20	9.30	9.30
Canada	17.00	15.20	9.85	9.35	9.40	9.35	9.35	9.45	9.35	9.35	9.50
Japan	9.00	6.50	7.00	6.40	6.60	6.67	6.80	6.83	6.88	6.45	6.60
Australia	12.71	15.65	10.20	12.82	12.68	14.84	12.05	11.88	10.56	10.96	10.35
United Kingdom	14.87	15.69	10.31	10.19	10.28	n.a.	10.06	9.78	9.50	9.25	9.22
Belgium	12.63	15.50	12.25	10.38	10.13	9.25	9.13	9.25	9.50	9.38	11.25
France	11.25	9.16	8.24	8.24	8.24	8.24	8.24	7.30	7.80	7.70	7.70
Germany	8.00	9.50	6.00	4.75	4.85	4.90	4.90	4.90	5.63	5.60	5.80
Italy	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25
Netherlands	9.50	11.00	5.38	6.13	6.25	5.50	5.63	5.25	6.13	6.06	6.19
Austria	11.25	9.63	6.25	5.25	4.69	5.00	5.31	5.56	6.06	6.31	6.38
Denmark	10.00	10.00	9.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.00
Finland	5.00	5.00	4.25	4.25	4.25	4.25	5.25	5.25	5.25	5.25	5.25
Ireland	13.63	18.38	15.25	14.75	14.50	13.25	13.50	13.13	12.25	12.50	12.25
Norway	11.00	12.75	13.50	12.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50
Spain	4.50	11.78	12.53	12.30	12.36	12.47	12.28	12.28	12.24	12.08	n.a.
Sweden	9.75	10.25	9.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Switzerland	7.50	8.75	3.00	3.50	3.75	4.25	4.00	3.75	3.75	3.50	3.50
Argentina	72.00	86.76	103.42	121.66	121.66	108.28	127.75	139.92	176.41	176.41	176.41
Brazil	96.49	110.05	118.26	128.81	137.28	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hong Kong	13.00	12.50	7.50	8.50	11.00	10.50	8.50	8.50	12.00	10.00	9.00
Korea	14.82	14.40	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Mexico	26.15	31.81	52.54	60.46	60.35	60.03	59.25	57.33	56.38	55.28	54.88
New Zealand	13.50	15.50	16.50	12.75	14.75	16.50	10.00	9.00	9.00	9.50	10.75
Philippines	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Singapore	13.19	7.50	8.25	6.88	7.07	7.01	7.44	6.88	6.81	7.07	7.19
South Africa	7.87	14.75	15.25	12.25	12.35	14.75	14.95	16.62	17.00	17.00	18.43
Venezuela	16.00	14.75	15.50	16.00	15.00	14.00	13.50	13.00	12.50	12.00	12.00

Commercial bank lending rates to prime borrowers

at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	21.50	15.75	11.50	10.50	10.50	10.50	10.50	11.00	11.00	11.00	11.00
Canada	18.25	16.50	12.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Japan	8.16	6.95	6.28	6.26	6.26	6.25	6.25	6.24	6.25	6.25	6.10
Australia	13.50	15.75	15.00	15.75	15.00	16.00	14.50	14.50	14.00	13.25	13.25
United Kingdom	15.00	14.50	10.00	10.00	10.00	9.50	9.50	9.50	9.50	9.00	9.00
Belgium	15.75	18.00	15.50	14.00	14.00	13.25	12.50	12.50	12.50	12.50	13.25
France	12.25	14.00	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Germany	11.50	13.00	8.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Italy	20.50	22.50	20.75	19.50	18.75	18.75	18.75	18.75	18.75	18.75	18.75
Netherlands	10.75	12.00	6.25	5.75	6.25	6.25	6.25	6.75	7.00	6.75	6.50
Austria	12.50	13.50	11.75	9.75	9.75	9.25	9.25	9.25	9.25	9.25	9.25
Denmark	13.75	15.00	14.00	11.00	11.00	10.50	10.50	10.50	10.50	10.50	10.00
Finland	9.83	9.84	8.95	8.97	9.00	9.07	10.07	10.10	10.16	10.14	n.a.
Ireland	14.50	17.25	16.50	16.25	16.25	15.00	15.00	15.00	13.75	13.75	13.75
Norway	12.50	13.75	14.50	14.50	14.50	14.50	14.00	14.00	14.00	14.00	13.50
Spain	18.50	17.04	19.00	19.27	22.40	22.73	23.47	25.19	24.09	23.70	22.87
Sweden	11.75	13.50	12.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Switzerland	5.75	8.00	6.00	5.50	5.50	5.50	6.00	6.00	6.00	6.00	6.00
Argentina	77.00	92.60	109.50	175.00	170.00	184.00	240.00	152.08	188.58	188.58	188.58
Brazil	96.45	138.09	166.49	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hong Kong	17.00	16.00	10.50	11.50	11.50	13.50	11.50	11.50	16.00	15.00	13.50
Korea	19.50	16.50	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Mexico	24.25	31.81	46.12	57.21	58.14	58.63	58.73	58 23	57.78	57.14	56.82
New Zealand	13.00	13.00	13.00	13.00	13.00	13.00	13.00	11.00	11.00	11.00	11.00
Philippines	16.00	18.00	18.00	18.00	18.00	18.00	18 00	18.00	18 00	19.00	19.00
Singapore	13.60	11.83	9.33	9.03	9.03	8.88	9.00	9.00	8.95	8.93	8.93
South Africa	9.50	17.00	16.00	14.00	14.00	16.00	16 00	18.00	18.00	18.00	19.00
Venezuela	15.00	15.50	17.00	17.50	17.00	17.00	16.50	16.25	16.00	16.00	16.00

Domestic government bond yields

long-term issues, at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	11.46	14.33	10.61	10.52	10.91	11.20	11.95	11.77	11.65	11.85	11.89
Canada	12.69	15.27	11.69	11.18	11.30	11.56	12 03	12.34	11.76	11.73	11.80
Japan	9.04	8.32	7.76	7.77	7.80	7.78	7.87	7.80	7.58	7.51	7.39
Australia	13.00	15.00	13.00	13.85	14.80	15.10	15.00	14.60	14.40	13.70	13.40
United Kingdom	13.05	15.02	10.62	10.28	10.10	10.12	10.71	10.65	10.15	10.13	9.93
Belgium	13.04	13.99	12.66	11.59	11.63	11.53	11.42	11.46	11.39	11.32	11.75
France	14.31	16.44	15.40	14.55	14.55	14 52	14.04	13.96	14.03	14.15	14.12
Germany	9.19	9.71	7.90	7.74	8.09	8.11	8.27	8.55	8.43	8.30	8.34
Italy	16.23	21.39	19.62	18.11	18.13	18.22	18.42	18.11	17.82	17.64	n.a.
Netherlands	10.48	11.28	8.16	8.83	9.30	9.00	9.08	9.03	8.80	8.53	8.57
Austria	9.62	10.37	8.81	8.09	8.07	8.14	8.18	8.31	8.32	8.16	n.a.
Denmark	19.98	20.91	20.14	14.27	14.17	15.38	15.56	14.92	14.19	13.95	14.22
Finland	10.42	10.98	10.64	10.58	10.69	10.55	10.58	11.20	10.97	11.19	11.16
Ireland	15.63	18.28	14.54	13.62	13.51	13.61	13.81	13.60	13.72	13.82	13.72
Norway	10.44	12.37	13.32	12.75	12.75	12.50	12.50	12.50	12.50	12.50	12.50
Spain	16.15	16.20	15.92	17.05	17.31	17.63	17.60	18.31	18.76	19.47	n.a.
Sweden	12.61	12.80	13.01	12.22	12.14	12.17	11.85	11.24	12.20	12.24	12.44
Switzerland	4.63	5.40	4.22	4.42	4.51	4.59	4.76	4.73	4.71	4.61	4.62
New Zealand	12.99	12.55	12.84	13.95	14.00	13.59	14.02	10.41	10.13	9.72	n.a.
Philippines	13.40	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41
South Africa	11.81	13.62	11.31	12.26	12.85	14.15	13.27	13.16	12.93	13.33	13.60
Venezuela	7.39	12.50	15.00	15.75	15.75	15.75	15.00	15.00	14.00	14.00	14.00

Domestic corporate bond yields

long-term issues, at or near end of month

	1980	1981	1982	1983							
	Dec	Dec	Dec	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
United States	13.00	15.50	11.75	11.00	11.75	11.75	12 75	12.50	12.25	12.63	12.38
Canada	13.62	16.48	13.05	12.29	12.59	12.47	13.09	13.24	12.63	12.64	12.70
Japan	8.60	7.70	7.55	7.37	7.16	7.30	7.34	7.32	7.30	7.29	7.27
Australia	14.25	16.50	15.00	16.00	16.00	16.00	15.75	15.50	15.00	15.00	15.00
United Kingdom	14.21	16.55	12.34	12.14	12.12	11.89	12.34	12.27	11.89	11.84	11.51
France	15.23	17.33	15.91	14.87	14.85	14.86	14.76	14.48	14.36	14.62	14.30
Germany	9.50	10.50	8.20	7.30	7.40	7.90	8.00	8.10	8.30	8.30	8.30
Netherlands	10.71	11.03	7.80	8.65	8.91	8.79	8.75	8.79	8.68	8.39	8.53
Norway	11.24	13.36	14.13	13.50	13.50	13.25	13.25	12.25	13.25	13 25	13.25
Spain	14.82	14.76	17.10	17.22	16.77	16.86	18.00	19.59	20.05	20.37	n.a.
Sweden	11.95	12.94	13.37	12.85	12.89	12 79	12.85	12.77	12.99	12.40	12.51
Switzerland	5.63	6.60	5.92	5.98	5.94	6.06	6.10	6.21	6.43	6.27	6.29
Korea	28.20	27.00	15.90	14.00	13.90	13.90	13 90	13.90	14.20	14.10	14.10
Venezuela	16.15	17.00	18.00	18.25	18.00	18.00	18.00	18.00	18.00	18.00	18.00

Key to data in tables

I. International markets

Definitions

An *international bond* issue is one sold outside the country of the borrower. It may be either a Euro-bond issue or a foreign bond issue.

A *Euro-bond* issue is one underwritten by an international syndicate and sold principally in countries other than the country of the currency in which the issue is denominated.

A *foreign bond* issue is one underwritten by a syndicate composed of members from one country, sold principally in that country, and denominated in the currency of that country.

A *Euro-currency bank credit* is a loan in a currency which is not native to the country in which the bank office making the loan is located.

Data on *new international bond issue volume* include all publicly announced issues with an original maturity of three years or more, whether publicly or privately placed, but exclude those where the investor is a central bank, monetary authority, or government.

Data on *new Euro-currency bank credit volume* include all publicly announced loans with an original maturity of one year or more. A loan is included in the period in which the lending banks make a commitment covering the amount and terms of the loan to the borrower.

Categories of borrower

U.S. companies include both parent companies and their financing affiliates, either domestic or foreign.

Other companies include private companies domiciled outside the United States and their affiliates.

State enterprises include public agencies.

Governments include central and local governments.

Country of borrower

The country of the borrower is the residence of the borrowing entity, except where the entity is a financing vehicle, in which case the residence of the parent company and or guarantor is used.

International bond yields

Yields are calculated to the nearest day of maturity. Interest on bonds with annual coupons is discounted semiannually for comparability in computation of yield.

The yield indices are simple arithmetic averages of end-of-month secondary market yields for groups of selected straight-debt securities. Yield indices for six categories of bonds have been calculated according to borrower and currency. They are based on issues of good-quality, well-known borrowers. Occasionally the individual issues in each category are changed.

The number of issues represented in each of the indices is as follows:

Long-Term, U.S. companies, U.S. dollar — —ten Euro-bond issues.

Long-term, U.S. companies, Swiss franc — four foreign bond issues.

Long-term, European companies, U.S. dollar — ten Euro-bond issues.

Long-term, European companies, German mark — ten Euro-bond issues.

Long-term, governments, U.S. dollar — six Euro-bond issues (governments of Italy, Denmark, and France).

Euro-currency deposit rates

All data are prime banks' bid rates for deposits in London. Offer rates commonly used as a basis for Euro-dollar lending are generally .125% above bid rates.

II. Domestic markets

Day-to-day money rates

Argentina — 7-day interbank money.

Austria — day-to-day interbank rate.

Australia — approximate effective interest rate in the authorized short-term money market.

Belgium — interbank call money.

Brazil — overnight financing of Treasury bills (LTN) until November 1978. New series as of December 1978, rates paid for federal funds.

Canada — chartered banks' day-to-day loans.

Finland — Bank of Finland call money.

France — interbank call money against private paper.

Germany — interbank call money.

Hong Kong — interbank 24-hour call rate.

Ireland — interbank call money.

Italy — interbank 48 hour call money.

Japan — Tokyo interbank call money, unconditional lenders rate.

Korea — call money.

Netherlands — open-market call money.

Norway — day-to-day interbank rate.

Philippines — interbank call money.

Singapore — interbank overnight money.

South Africa — National Finance Corporation call money.

Spain — day-to-day interbank rate.

Sweden — interbank call money.

Switzerland — call money.

United Kingdom — call money.

United States — effective Federal funds rate.

Euro-dollars — prime banks' bid rate for overnight money.

Treasury bill rates

Australia — new issues of 13-week Treasury notes.

Belgium — 3-month Treasury certificates.

Canada — 3-month Treasury bills at tender.

Ireland — 3-month Central Bank Exchequer bills.

Italy — 6-month Treasury bills.

Japan — 60- to 62-day noninterest-bearing discount government bills.

Korea — 3-month Treasury bills until May 1981. New series as of June 1981, 1-month Treasury bills sold by Central Bank.

Mexico — 3-month Federal Treasury bills.

Netherlands — 3-month Treasury bills.

New Zealand — 3-month Treasury bills.

Philippines — 91-day Treasury bills at tender.

Singapore — 91-day Treasury bills at tender.

South Africa — 3-month Treasury bills at tender.

Spain — Bank of Spain 3-month certificates of deposit.

Sweden — new issues of 3-month Treasury bills.

United Kingdom — 91-day Treasury bills at tender.

United States — 3-month Treasury bills.

Representative money-market rates

Australia — 3-month prime finance company paper.

Belgium — 4-month Fonds des Rentes certificates.

Canada — 3-month prime finance company paper.

France — 3-month interbank money against private paper.

Germany — 3-month interbank deposits.

Hong Kong — 3-month interbank deposits.

Ireland — 3-month interbank deposits.

Italy — 3-month interbank deposits.

Japan — 3-month repurchase agreements.

Korea — 3-month financial bill.

Netherlands — 3-month interbank deposits.

New Zealand — 90-day commercial bills.

Philippines — 90-day promissory notes.

Singapore — 3-month bank acceptances.

South Africa — 90-day bank acceptances.

Spain — 1-month interbank deposits.

Switzerland — 3-month interbank deposits.

United Kingdom — 3-month interbank deposits.

United States — 3-month prime industrial paper.

Commercial bank deposit rates

Argentina — nominal 30-day time deposits. Average of bank rates published by the Central Bank.

Austria — 3-month time deposits.

Australia — 3-month certificates of deposit.

Belgium — special maximum rate for 3-month time deposits in large amounts.

Brazil — 6-month negotiable certificates of deposit of investment banks net of taxes.

Canada — 3-month time deposits.

Denmark — time deposits of 3-months' notice.

Finland — time deposits of six-month notice.

France — 3-month time deposits of FF. 1,000,000.

Germany — 3-month time deposits in large amounts.

Hong Kong — 3-month certificates of deposit. Rate set by the Hong Kong Association of Banks.

Ireland — 3-month time deposits.

Key to data in tables — continued

Italy — 3-month time deposits of Lit. 100 million or more.

Japan — 3-month time deposits until April 1979. New series as of May 1979, 90-day negotiable certificates of deposit issued by the Tokyo office of Morgan Guaranty Trust Company.

Korea — 3-month time deposits.

Mexico — 3-month certificates of deposit issued by financieras to corporations for amounts over Ps. 1 million. Higher rates available to individuals.

Netherlands — 3-month time deposits in large amounts.

New Zealand — 6-month transferable certificates of deposit.

Norway — 3-month time deposits issued to ordinary savers until June 1975. New series, as of July 1975, 3-month special term deposits.

Philippines — 3-month time deposits.

Singapore — 3-month certificates of deposit.

South Africa — negotiable certificates of deposit.

Spain — maximum legal rate for 3-month deposits until May 1981. New series as of June 1981, deposits over 6-months and less than 1-year for Pts. 1 million or more reported by the Bank of Spain.

Sweden — deposits at 6-months' notice.

Switzerland — 3-month time deposits.

United Kingdom — 3-month time deposits.

United States — 3-month negotiable certificates of deposit issued by Morgan Guaranty Trust Company.

Venezuela — 6-month negotiable certificates of deposits for large amounts until December 1978. New series as of January 1979, similar rate for domestic depositors only.

Commercial bank lending rates to prime borrowers

Argentina — average rate on 30-day loans.

Austria — overdraft rate for prime borrowers, including commission.

Australia — approximate overdraft rate for prime borrowers.

Belgium — prime overdraft rate.

Brazil — weighted average investment bank lending rate for multinational companies including tax on financial obligations (IOF).

Canada — prime rate.

Denmark — approximate rate for loans and advances to prime borrowers.

Finland — average rates on total commercial bank lending.

France — base lending rate, excluding a commission of .05% per month on highest debit balance during the month. A spread above base rate is often added.

Germany — approximate effective overdraft rate for prime borrowers.

Hong Kong — prime rate.

Ireland — AA corporate borrowing rate.

Italy — unsecured overdraft rate for prime borrowers.

Japan — average contracted interest rate for short-term loans of city banks. In addition, compensating balances may be required.

Korea — prime rate.

Mexico — base rate or average cost of money for banks determined monthly by the Banco de Mexico S.A.

Netherlands — overdraft rate for prime borrowers, including commission.

New Zealand — overdraft rate for prime borrowers.

Norway — overdraft rate, including a commission of .333% prior to July 1978, .25% thereafter, per quarter on the total line of credit.

Philippines — maximum legal rate, for unsecured loans exclusive of service fee.

Singapore — most common overdraft rate, major banks.

South Africa — unsecured overdraft rate for prime borrowers.

Spain — maximum legal rate for discounting commercial bills plus a commission of 1% per annum until December 1979. New series as of January 1980, preferential rate for 1-month loans calculated by the Bank of Spain.

Sweden — actual interest rate on 3-month loans to prime industrial borrowers.

Switzerland — unsecured overdraft rate for prime borrowers, excluding commission of .25% per quarter on average or highest outstanding debit balance in quarter.

United Kingdom — clearing bank base lending rate. A spread above base rate is often added.

United States — prime rate of Morgan Guaranty Trust Company.

Venezuela — representative rate for prime borrowers until December 1978. New series as of January 1979, similar rate for domestic prime borrowers only.

Domestic government bond yields

Austria — Austrian National Bank average yield on all outstanding government bonds.

Australia — 20-year government bonds.

Belgium — Belgian National Bank average yield on government bonds maturing in more than five years.

Canada — Bank of Canada average yield on all direct government bonds due or callable in 10 years or more.

Denmark — 12% serial bonds maturing 2001 until April 1983. New series as of May 1983, 10% serial bonds maturing 2004.

Finland — rate of interest at issue on central government bonds intended for public subscription, weighted by sales of bonds in the latter half of each month.

France — Institut National de la Statistique et des Etudes Economiques (INSEE) yield on public and semi-public sector bonds.

Germany — Frankfurter Allgemeine Zeitung (FAZ) 7% public authority bond average until September 1978. New series as of October 1978, FAZ 10-year public authority bond average.

Ireland — 15-year government bonds.

Italy — average yield on fixed-interest government bonds, not including irredeemable bonds, weighted by the amounts in circulation, for maturities of 9-years or more.

Japan — secondary market yield for the 6.1% due 1988 national government bond.

Netherlands — Central Bureau of Statistics (CBS) average yield on three latest government bonds.

New Zealand — average yield on government bonds maturing after 10 years.

Norway — 5% government bond of 1996 until December 1982. New series as of January 1983, average yield of long-term government bonds.

Philippines — Central Bank 5-year Certificate of Indebtedness, regular issue.

South Africa — 25-year government bonds until August 1983. New series, as of September 1983, 20-year Republic of South Africa bonds.

Spain — weighted average of yields of several central government issues with original maturity of less than five years.

Sweden — 15-year government bonds.

Switzerland — Swiss Confederation bond average.

United Kingdom — F.T. (Financial Times) Actuaries 25-year government stock.

United States — Morgan Guaranty 20-year U.S. Government Bond Index.

Venezuela — Banco Central average yield on public-sector bond issues.

Domestic corporate bond yields

Australia — long-term secured debentures, indicated by Australian United Corporation.

Canada — McLeod, Young, Weir Co. Ltd., average yield on ten industrial bonds.

France — INSEE tax-adjusted average yield on outstanding private corporate bonds.

Germany — FAZ 6% industrial bond average until September 1978. New series as of October 1978, Bundesbank average yield on industrial bonds.

Japan — secondary market yield for NTT bond maturing March 1987.

Korea — average of yields on 3-year corporate bonds guaranteed by local banks.

Netherlands — CBS average yield on three 6% to 6.5% corporate bonds until December 1981. New series as of January 1982, yield of domestic long-term bonds issued by major banks.

Norway — 5.75% Dalen Portland-Cement bond of 1969-1984 until December 1982. New series as of January 1983 average yield of long-term industrial bonds.

Spain — average yield for a selected group of electricity companies.

Sweden — Central Satistical Bureau average yield on industrial bonds.

Switzerland — average yield on outstanding bonds of four leading Swiss companies.

United Kingdom — F.T. (Financial Times) Actuaries 20-year debentures and loans until February 1981. New series as of March 1981, F.T. Actuaries 25-year debentures and loans.

United States — Salomon Brothers index of new issue yields for Aa industrial bonds with five-year call protection.

Venezuela — average of yields on 15-year bond issues of Electricidad de Caracas.

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